

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 3204 - SB 3131

February 15, 2010

SUMMARY OF BILL: Authorizes energy acquisition corporations (EAC) created by local governments to offer interest rates up to 24 percent on bonds or other debt.

ESTIMATED FISCAL IMPACT:

MINIMAL

Assumptions:

- Energy acquisition corporations issue their debt on the public market. The interest paid on that debt is paid by private individuals and entities.
- The costs incurred by EACs for debt issuance and service would be borne directly by the EAC and not by local governments. Customers of the EAC, including local governments, may indirectly incur either higher energy costs as a result of any new contracts that are negotiated after issuance of new debt at higher interest rates, but this impact on local governments is indirect, speculative, and cannot reasonably be quantified. There will be no direct costs to local governments.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White".

James W. White, Executive Director

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